Regarding non scheduled drugs, Government expects the industry to make corresponding reduction in prices and keeps watch on the movement of the prices. Since there are more than 250 drug units in the organised sector and about 8,000 units in the small scale sector manufacturing a large number of bulk drugs and several thousands of formulations not under price control, it is not possible to intensively monitor the impact of custom duty concessions in this sector. However, in regard to any glaring intances that come to the notice of the Government, necessary remedial steps are taken.

Imported and indigenous bulk drugs

1894. SHRI RAJNI RANJAN SAHU: Will the PRIME MINISTER be pleased to refer to the answer to Unstarred Question No. 1984 given in the Rajya Sabha on 11th March, 1993 and state:

(a) how the ratio parameter between usage of imported and indigenous bulk drugs encourage the basic production of bulk drugs;

(b) whether usage of imported and indigenous raw materials instead of bulk drugs is not taken as a base for the purpose of this parameter for encouraging basic production; if so, the reasons therefor;

(c) whether it is a fact that the parameter which is presently being followed is baseless and does not encourage basic production of bulk drugs due to value adjustments, purchases of imported bulk drugs locally and other relevant adjustments; and

(d) the steps being taken to look at the whole matter afresh so that effective parameter could be laid down?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI EDUARDO FALEIRO): (a) The ratio parameter between the usage of imported and indigenous bulk drugs limits the dependence on imports by stipulating that consumption of imported bulk drugs should not exceed 50 per cent of the value of the indigenous bulk drugs consumed. This encourages the indigenous production of bulk drugs, which can be manufactured in the organised sector only from the basic stages prescribed by Government in the Industrial approvals.

(b) Since Government's aim in the Drug Policy is to encourage the indigenous production of bulk drugs, their consumption is taken as the base for the purpose of this parameter.

(c) and (d) Ratio parameters have been in existence since 1978. The growth in bulk drug production since then indicates that the Government policies have given a thrust to bulk drug manufacture. India has emerged as a leading bulk drug manufacturer in the international arena, capable of meeting 65 per cent — 70 per cent of the country's requirements.

Writing off of amount due from IDPL and HAL

1895. SHRI ANANT RAM JAISWAL: Will the PRIME MINISTER be pleased to refer to the answer to Starred Question 221 given in the Rajya Sabha on the 11th March, 1993 and state:

(a) whether it is a fact that amount due from IDPL, HAL and Government opium and Alkaloid Works into DPEA have been written off;

(b) the reasons for not recovering Government dues before making payment from DPEA to IDPL and HAL and whether any financial clearance was obtained before doing so;

(c) the reasons for which undue benefit of over 1 crore of rupees has been given on Codeline Phosphate;

(d) what are the details thereof and officers involved in this regard; and

(e) the reasons for not furnishing the names of Government Opium and Alkaloid works in the list of companies?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI EDUARDO FALEIRO): (a) No, Sir.

(b) The payments from DPEA to M/s. IDPL and HAL were made before finalisation of their liability into DPEA.

(c) Government has no information about undue benefit of over Rs. 1 crore on Codeline Phosphate.

(d) to (e) Do not arise.

Chemicals produced in India

1896. SHRI G. G. SWELL: Will the PRIME MINISTER be pleased to state:

(a) the number and description of chemicals produced in India under patents registered abroad;

(b) whether fertilizer produced indigenously is costlier than the imported fertilizer; and

(c) whether States have been advised to buy their fertilizer requirements directly from abroad?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI EDUARDO FALEIRO): (a) Government does not maintain the list of chemicals produced in India under patents registered abroad.

(b) and (c) The fertilizers produced indigenously are costlier than those imported. Import of Di-ammonium Phosphate (DAP) has been decanalised with effect from 17th September, 1992 and any agency including the State Governmonths are free to import the same. Import of other fertilizers are canalised through Minerals and Metals Trading Corporation (MMTC).

Prices of formulations based on notified prices

1897. SHRI ANANT RAM JAISWAL: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that the prices of the formulations are fixed on notified prices of the bulk drugs plus 8 per cent incidental on suo moto basis;

(b) whether Government are aware that the provisions of DPCO, 1987 which enjoin upon the formulators to apply for prices revision within 30 days of change in bulk drugs price have been violated;

(c) what are names of companies and bulk drugs involved;

(d) what steps have been taken to investigate the matter; and

(e) what are the reasons for not fixing formulation prices based on purchase invoices from the formulators?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS (SHRI EDUARDO FALEIRO): (a) Incidental charges of 8 per cent on notified prices of bulk drugs are allowed only if the price being fixed for the formulation is notified as ceiling price. In all other cases incidentals are allowed as per documents.

(b) to (d) It has been noticed that many a times formulators do not apply for price revision consequent to change in notified price of concerned bulk drugs, however, in cases where consumer interest is involved the Government revises the prices on the basis of available data. This is an ongoing process.

(c) Applicants whenever seeking price fixation/revision of their formulations are required to enclose copies of invoices alongwith their applications. Where the notified price and/or the DGHS weighed average import price of a bulk drug is found to be lower than the price claimed, purchase invoices even if submitted are not taken into account in pricing formulations.